



Center for Business
and Human Rights



Breakout Session 5: Labor Rights Challenges in the Manufacturing Supply Chain

In a number of countries and manufacturing sectors, U.S. companies confront significant labor and human rights challenges that they alone do not have the capacity to resolve. A stark example is factory safety issues in Bangladesh. How can the U.S. government create incentives and provide resources to support better practices by both U.S. based buyers and retailers and their foreign domestic suppliers including through trade and investment agreements, cooperation in the implementation of those agreements capacity-building and in the provision of foreign assistance?

Facilitator: Eric Biel (USG), Sarah Labowitz (NYU Stern CBHR)

Participants: Louis Bickford (Ford Foundation), Sarah Blackwell (ICAR), Cathy Feingold (AFL-CIO), Michael Garland (NYC Comptroller's Office), Billy Knapp (NYU Stern), Alice Tepper Marlin (Social Accountability International), Larry Memmott (USG), Alicia Miller (NYU Stern) Ignacio Mujica (Human Rights First), Brendan Murphy (NYU Stern), Vijay Padmanabhan (Vanderbilt, NYU Stern), Ted Sattler (Worldwide Responsible Accredited Production), Jessica Slatterly (USG), Robert Strand (UC Berkley), Marianne Voss (SedEx)

Rapporteur: Nayantara Banerjee

Several participants encouraged the USG to disseminate more information through the NAP. They noted that though the USG provides useful communication through its annual human rights and labor reports, more could be done to give companies added information relating to specific factories and buyers. Another participant expressed the view that company compliance reports are not uniform across sectors or fully communicated within large companies. This participant proposed that the USG should move the conversation about labor practices in manufacturing supply chains beyond an auditing and compliance model, to encourage dialogues among suppliers in specific countries to bridge the information gap and encourage a broader dialogue about endemic issues.

Participants encouraged the USG to help set and harmonize labor and human rights standards across sectors based on these discussions. Conversations about remediation and capacity building also need to be integrated into case studies, for example of fire and safety initiatives, as well as in consultations with other standards and reporting initiatives.

Another participant suggested that the USG could also serve as an important convener of multiple parties through the NAP process. The USG has the power to bring companies, foreign governments and NGOs to the table and to encourage new initiatives. Another participant noted that the NAP can serve to level the global playing field, encourage wider private sector participation and help foster a more open environment that will better allow companies to collaborate and foster greater transparency. To accomplish this will require coordination with multiple government agencies, including the US Departments of State, Justice and Labor as well as other federal agencies.

One participant emphasized that the Justice Department has a crucial role to play in providing guidance and clarity to companies with regard to anti-trust laws and international wage and anti-trust regulation which are likely to have an important impact on these issues.

A participant proposed that the USG can help business and other stakeholders continue to define these problems. Another participant observed that risk management may help prompt more expansive and deep examination of supply chain issues especially by well-known brands. Several participants said that the USG should expand its reach to include a wider network of companies, including non-brand names, while pushing all companies to map and share information about their supply chains. In preparing NAP recommendations on these issues the USG should coordinate with international organizations, civil society representatives, and a wide range of businesses to help determine how best to influence the conduct of US companies and their suppliers as they conduct business abroad.